

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

FRANCHISE GROUP, INC., *et al.*¹

Debtors.

Chapter 11

Case No. 24-12480 (JTD)

(Jointly Administered)

Ref. Docket No. 192

**DECLARATION OF DANIEL A. FLIMAN IN SUPPORT OF OBJECTION OF
THE AD HOC GROUP OF FIRST LIEN LENDERS TO THE MOTION OF
THE AD HOC GROUP OF FREEDOM LENDERS FOR ENTRY OF AN ORDER
(I) TERMINATING EXCLUSIVITY IN THE HOLDCO DEBTORS' CASES,
(II) LIFTING THE AUTOMATIC STAY IN THE HOLDCO DEBTORS' CASES, OR
(III) APPOINTING A CHAPTER 11 TRUSTEE FOR THE HOLDCO DEBTORS**

I, Daniel A. Fliman, pursuant to 28 U.S.C. § 1746, declare as follows:

1. I am a partner with Paul Hastings LLP, which maintains an office for the practice of law at 200 Park Ave., New York, New York 10166. I am an attorney at law, duly admitted and

¹ The Debtors in these Chapter 11 Cases, along with the last four digits of their U.S. federal tax identification numbers, to the extent applicable, are Franchise Group, Inc. (1876), Freedom VCM Holdings, LLC (1225), Freedom VCM Interco Holdings, Inc. (2436), Freedom Receivables II, LLC (4066), Freedom VCM Receivables, Inc. (0028), Freedom VCM Interco, Inc. (3661), Freedom VCM, Inc. (3091), Franchise Group New Holdco, LLC (0444), American Freight FFO, LLC (5743), Franchise Group Acquisition TM, LLC (3068), Franchise Group Intermediate Holdco, LLC (1587), Franchise Group Intermediate L, LLC (9486), Franchise Group Newco Intermediate AF, LLC (8288), American Freight Group, LLC (2066), American Freight Holdings, LLC (8271), American Freight, LLC (5940), American Freight Management Company, LLC (1215), Franchise Group Intermediate S, LLC (5408), Franchise Group Newco S, LLC (1814), American Freight Franchising, LLC (1353), Home & Appliance Outlet, LLC (n/a), American Freight Outlet Stores, LLC (9573), American Freight Franchisor, LLC (2123), Franchise Group Intermediate B, LLC (7836), Buddy's Newco, LLC (5404), Buddy's Franchising and Licensing LLC (9968), Franchise Group Intermediate V, LLC (5958), Franchise Group Newco V, LLC (9746), Franchise Group Intermediate BHF, LLC (8260), Franchise Group Newco BHF, LLC (4123), Valor Acquisition, LLC (3490), Vitamin Shoppe Industries LLC (3785), Vitamin Shoppe Global, LLC (1168), Vitamin Shoppe Mariner, LLC (6298), Vitamin Shoppe Procurement Services, LLC (8021), Vitamin Shoppe Franchising, LLC (8271), Vitamin Shoppe Florida, LLC (6590), Betancourt Sports Nutrition, LLC (0470), Franchise Group Intermediate PSP, LLC (5965), Franchise Group Newco PSP, LLC (2323), PSP Midco, LLC (6507), Pet Supplies "Plus", LLC (5852), PSP Group, LLC (5944), PSP Service Newco, LLC (6414), WNW Franchising, LLC (9398), WNW Stores, LLC (n/a), PSP Stores, LLC (9049), PSP Franchising, LLC (4978), PSP Subco, LLC (6489), PSP Distribution, LLC (5242), Franchise Group Intermediate SL, LLC (2695), Franchise Group Newco SL, LLC (7697), and Educate, Inc. (5722). The Debtors' headquarters is located at 109 Innovation Court, Suite J, Delaware, Ohio 43015.

in good standing to practice in the States of New Jersey and New York. I am admitted *pro hac vice* in the above-captioned chapter 11 case to represent the Ad Hoc Group of First Lien Lenders (the “First Lien Group”).

2. I submit this Declaration in support of the *Objection of the Ad Hoc Group of First Lien Lenders to the Motion of the Ad Hoc Group of Freedom Lenders for Entry of an Order (I) Terminating Exclusivity in the HoldCo Debtors’ Cases, (II) Lifting the Automatic Stay in the HoldCo Debtors’ Cases, or (III) Appointing a Chapter 11 Trustee for the HoldCo Debtors* (the “Objection”), which is being filed concurrently herewith in the above-captioned bankruptcy cases.²

3. Attached hereto as **Exhibit A** is a true and accurate copy of the transcript of the first day hearing held on November 5, 2024, in *In re Franchise Group, Inc.*, Case No. 24-12480 (JTD) (Bankr. D. Del.) before Hon. John T. Dorsey.

4. Attached hereto as **Exhibit B** is a true and accurate copy of the Freedom Lender Group’s transaction proposal dated September 24, 2024.

5. Attached hereto as **Exhibit C** is a true and accurate copy of the Freedom Lender Group’s transaction proposal dated October 9, 2024.

6. Attached hereto as **Exhibit D** is a true and accurate copy of an email from the financial advisor to the Freedom Lender Group to the First Lien Group’s advisors dated November 2, 2024.

7. Attached hereto as **Exhibit E** is a true and accurate copy of the Freedom Lender Group’s transaction proposal dated November 2, 2024.

² Capitalized terms used and not defined herein shall have the meanings ascribed to them in the Objection.

8. Attached hereto as **Exhibit F** is a true and accurate copy of an email from counsel to the Debtors to counsel to the First Lien Group dated November 6, 2024, transmitting the Freedom Lender Group's debtor-in-possession financing proposal.

9. Attached hereto as **Exhibit G** is a true and accurate copy of the transcript of the continued first day hearing held on November 6, 2024, in *In re Franchise Group, Inc.*, Case No. 24-12480 (JTD) (Bankr. D. Del.) before Hon. John T. Dorsey.

10. Attached hereto as **Exhibit H** is a true and accurate copy of the Bylaws of Freedom VCM, Inc.

11. Attached hereto as **Exhibit I** is a true and accurate copy of the Bylaws of Freedom VCM Interco, Inc.

I hereby declare under penalty of perjury that the foregoing statements are true and correct to the best of my knowledge, information and belief.

Date: December 3, 2024

/s/ Daniel A. Fliman
Daniel A. Fliman